



International Accounting Standards  
Committee Foundation

# Press Release

18 July 2008

## **Trustees announce conclusions from July meeting in Washington, DC**

The Trustees of the International Accounting Standards Committee (IASC) Foundation, the oversight body of the International Accounting Standards Board (IASB), today announced the conclusions reached at their meeting in Washington, DC on 8 and 9 July.

### **IASC Foundation Constitution Review advances**

The main focus of the meeting was the Trustees' consideration of their draft proposals reflecting the first part of their review of the IASC Foundation's Constitution. The Constitution is the organisation's governing document. After reviewing the comments on a preliminary draft published for the purpose of public round-table meetings held on 19 June, the Trustees decided to publish revised proposals for public comment.

If approved, the proposals would establish a link between the organisation and a Monitoring Group comprising representatives of public authorities and international organisations that have requirements for accountability to public authorities. The establishment of this link would create a formal reporting mechanism from the IASC Foundation Trustees to public authorities and is aimed at enhancing the transparency and public accountability of the IASC Foundation, while not impairing the independence of the standard-setting process.

The Trustees are also proposing the expansion of the IASB to 16 members and new guidelines regarding the geographical diversity of the members of the IASB. These new guidelines would complement the unchanged emphasis on professional competence and practical expertise already in the IASC Foundation's Constitution.

The Trustees will publish the constitutional proposals shortly and have set 20 September 2008 as the deadline for comment on the proposals. The Trustees expect to complete the first part of the Constitution Review at their meeting in Beijing in October, with the changes taking effect from 1 January 2009.

A review of other elements of the IASC Foundation's Constitution will begin after the Trustees' meeting in October. The Trustees will publish a discussion document then inviting commentators to suggest topics for Trustee consideration.

### **Other meeting conclusions**

The Trustees also addressed the following:

- **Trustee consideration of the IASB's work programme:** The Trustees considered the IASB's work programme in the light of the credit crisis. They supported the IASB's efforts to respond expeditiously to the report of the Financial Stability Forum and will continue to monitor the IASB's progress.

The Trustees reviewed the IASB's strategy to complete the remaining active items on its convergence programme with the US Financial Accounting Standards Board (FASB). They noted that new items would not be added to the convergence agenda described by the IASB-FASB Memorandum of Understanding (MoU). The Trustees believed that the establishment and public disclosure of defined targets for the completion of MoU projects are a practical approach to meeting the convergence commitments.

The Trustees also supported the IASB's addition to its active work programme of projects on liabilities and equity and the derecognition of financial instruments. Both projects address areas requiring improvement in existing accounting standards internationally, and the Financial Stability Forum identified derecognition as a topic to be addressed in response to the credit crisis.

- **A new Standards Advisory Council:** The terms of all members of the Standards Advisory Council (SAC), the formal advisory body to the IASB, will expire at the end of the year. In line with the existing constitutional requirements and following consultation with the existing SAC, the Trustees agreed to change the membership structure of the SAC, so that members would serve primarily as representatives of organisations. The Trustees believe that this adaptation of the SAC will enable the IASB to receive views reflecting a wider range of interested parties and would give greater authority to views received. The change in membership structure will not prevent further consideration of the SAC's organisation and effectiveness during the second part of the Trustees' Constitution Review.

The Trustees will shortly invite interested organisations to put forward candidates for membership. They will also seek qualified candidates to serve as chairman of the SAC.

- **Due process oversight activities:** The Trustees' Due Process Oversight Committee and the IASB have agreed to launch a review of the effectiveness of existing IASB working groups. The review will survey working group members.

The Due Process Oversight Committee will meet the IASB in September for their next six-monthly meeting.

- **Trustee appointments:** Nine Trustees have terms expiring on 31 December 2008. The Trustees have confirmed their desire to reappoint six Trustees—Marvin Cheung, Sam DiPiazza, Robert Glauber, Liu Zhongli, Sir Bryan Nicholson and Mohandas Pai—for a second term.

Max Dietrich Kley, David Shedlarz and Junichi Ujiie are not seeking a second term or have served a second term already. Therefore, the Trustees will advertise for one Trustee each from Asia-Oceania, Europe and North America and will invite nominations from interested parties.

Consistently with current requirements, the Trustees will consult the Trustee Appointments Advisory Group before reaching conclusions on appointments.

- **IASB appointments:** The Trustees have agreed on a process to consider appointments for IASB vacancies (a minimum of eight) arising in 2009, 2010 and 2011. The Trustees have engaged Spencer Stuart, a well-respected international search firm, to assist in the management of a broad and transparent selection process. In establishing a forward-looking process for the next three years, the Trustees are seeking to ensure that the IASB will continue to comprise a group of people representing the best available combination of technical expertise and diversity of international business and market experience.

Within this process, candidates will be invited to apply, and organisations to nominate individuals, so that appointments can be made when the vacancies arise.

- **IFRIC appointments:** The Trustees confirmed the reappointment of Jean-Louis LeBrun, Partner and Chairman of the Supervisory Board, Mazars, France, to the International Financial Reporting Interpretations Committee.

The Trustees also appointed Luca Cencioni, Senior Accounting Manager, Eni, Italy; Jean Paré, Vice President, Financial Reporting, Bombardier, Canada; and Joanna Perry, a company director and current Chair, Financial Reporting Standards Board, New Zealand, for three-year terms.

- **Funding of the IASC Foundation:** The Trustees have raised £13.7 million in annual funding commitments against a target of £16 million. (While additional funds are being raised, revenue from publications and related activities and investment income will finance the remaining portion of the budget.) Most countries have established funding systems that comprise levies on listed and/or private companies or are national payments through national authorities, exchanges and business associations. Some countries—including France, Germany and the United States—still operate voluntary funding regimes but have greatly expanded the sources of funding. An update of the funding status is available on the IASC Foundation’s Website.

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**NOTE TO EDITORS**

***About the IASC Foundation***

1. The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees. Six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six from North America, and four from any region.
2. The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. The IASC Foundation is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations.